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EX PARTE

January 13, 1999

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals
445 12th Street, SW, TW-A325
Washington, D.C. 20554

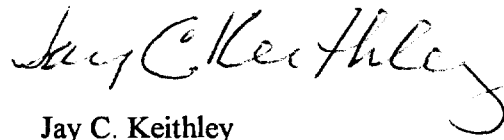
RE: CC Docket Nos. 96-262, 94-1 and RM 9210

Dear Ms. Salas:

Today, representatives of Sprint Corporation met with Jim Schlichting, Rich Lerner, Jay Atkinson and Rich Cameron of the Common Carrier Bureau to discuss Sprint's position in the above referenced proceedings. Representing Sprint Corporation were Jay Keithley, Jim Sichter and Pete Sywenki.

Sprint requests that this information be made a part of the record in this matter. Five copies of this letter, in accordance with Section 1.1206(a)(1), are provided for this purpose. If you have any questions, please feel free to call.

Sincerely,



Jay C. Keithley

Attachment

cc: Jim Schlichting
Rich Lerner
Jay Atkinson
Rich Cameron

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Sprint's Access Reform Proposal

Objective: Reduce interstate access charges to Forward Looking Economic Costs (FLEC)

Method:

- ◆ Maintain 6.5% productivity factor.
- ◆ Apply full annual reduction only to rate elements above FLEC.
- ◆ Cap CCLC revenues at growth in access lines.
- ◆ Focus current price cap performance review proceeding on identifying FLEC levels and determining appropriate transition.



Benefits of Sprint's Access Reform Proposal

◆ IXC's

- ❖ Access rates will come down faster than under the existing 6.5% productivity plan.
- ❖ TS access rates will be reduced to FLEC faster than under proposals to increase the productivity factor.

◆ LEC's

- ❖ Provides reasonable transition to FLEC.
- ❖ Ensures that access rates are not driven below FLEC.

◆ Consumers

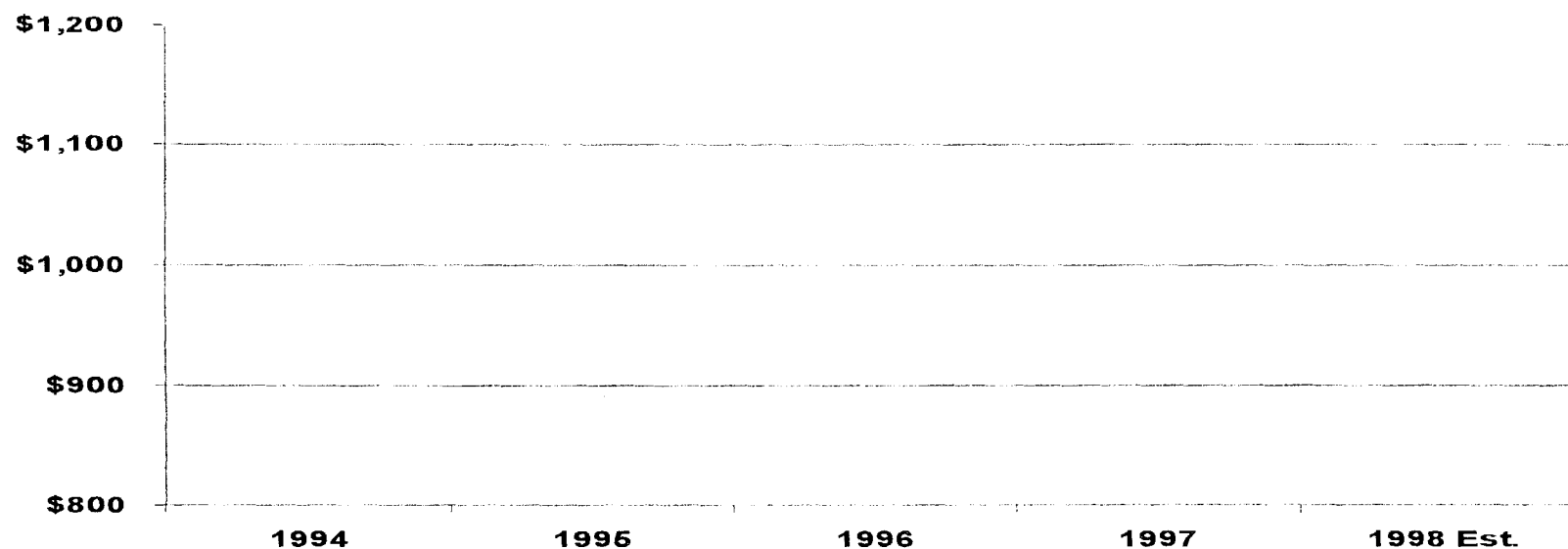
- ❖ Accelerated decreases in TS access rates will allow greater interstate toll rate reductions.



Sprint

Interstate Access REVENUES

(\$ in Millions)



	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998 Est.</u>
Revenues	879.6	953.3 8.39%	1,062.9 11.50%	1,091.0 2.65%	1,095.4 0.40%
MOUs	16,303	17,644 8.22%	19,631 11.26%	20,914 6.54%	22,641 8.25%
Access Lines	71,332	75,338 5.62%	78,930 4.77%	84,006 6.43%	88,837 5.75%

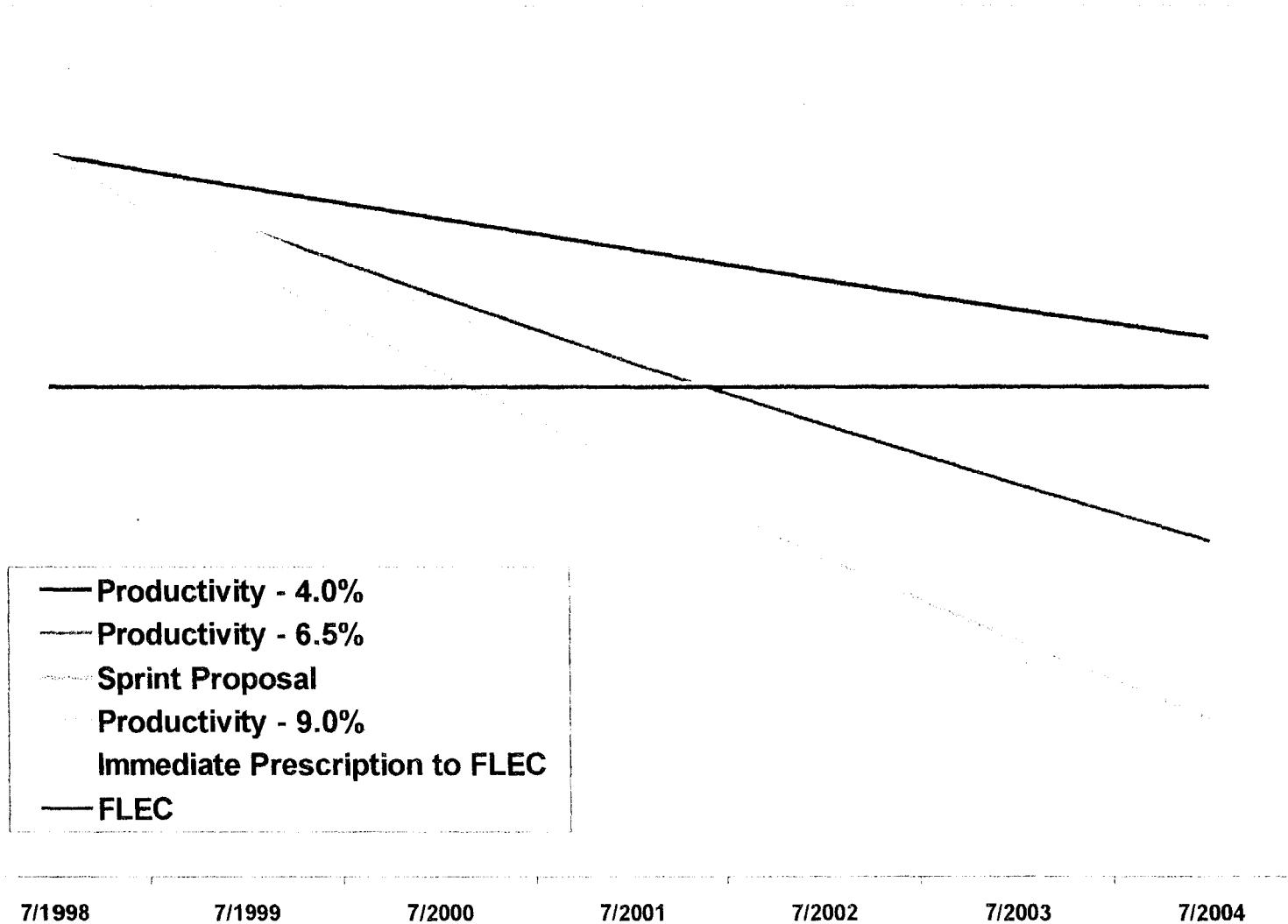
Price Cap LECs Interstate Access Rates

The graph illustrates the projected interstate access rates for Price Cap LECs from July 1998 to July 2004. The Y-axis represents the rate, and the X-axis represents time in years. The legend identifies five scenarios:

- Productivity - 4.0% (Solid line, topmost, showing a gradual decline)
- Productivity - 6.5% (Solid line, middle, showing a moderate decline)
- Sprint Proposal (Dashed line, starting high and declining sharply)
- Productivity - 9.0% (Dotted line, starting lower and declining sharply)
- FLEC (Solid horizontal line, representing a constant rate)

The Sprint Proposal and Productivity - 9.0% lines cross the FLEC line around 7/2001. By 7/2004, the Sprint Proposal and Productivity - 9.0% lines are significantly below the FLEC line, while the Productivity - 4.0% and Productivity - 6.5% lines remain above it.

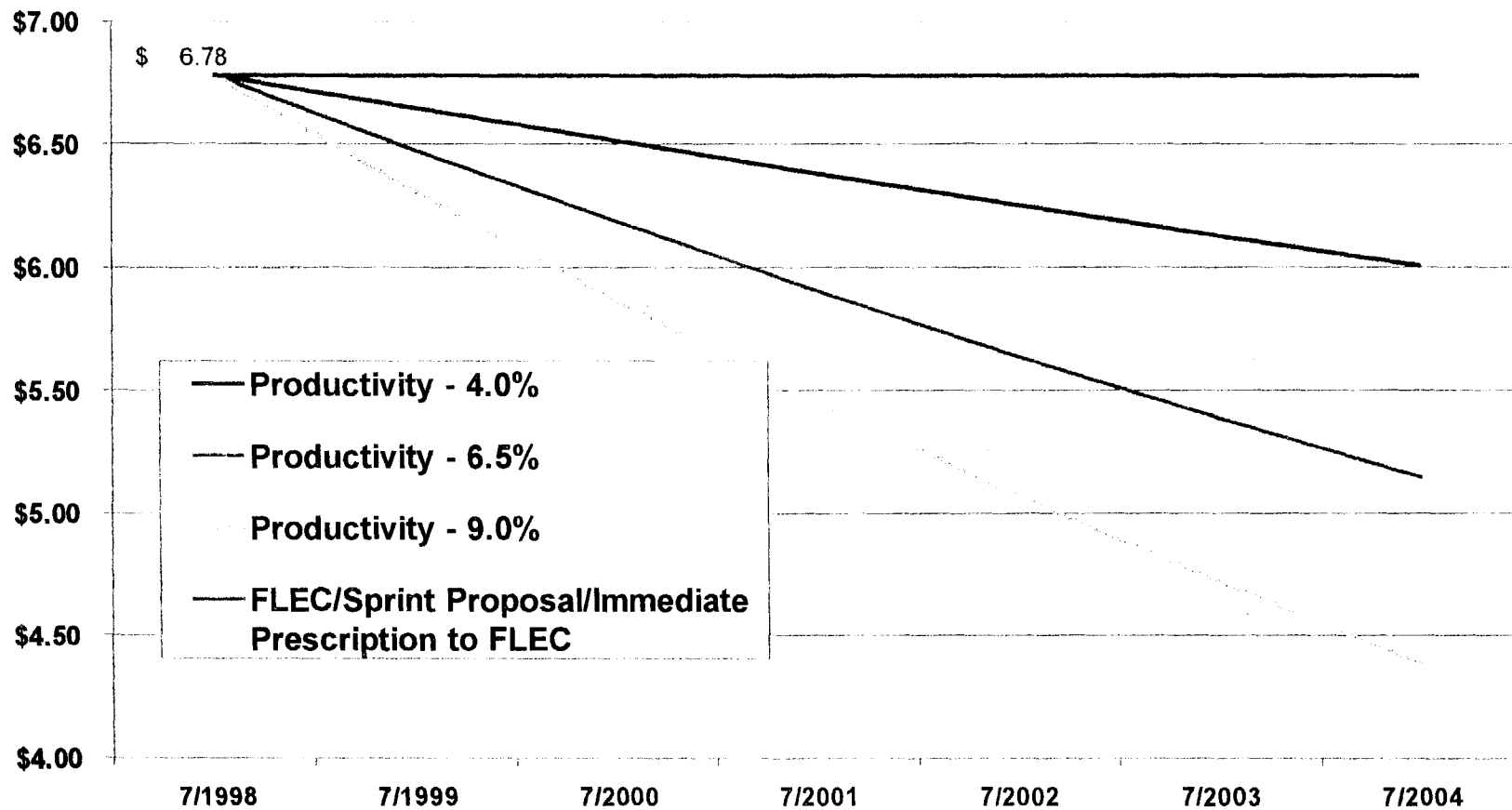
Year	Productivity - 4.0%	Productivity - 6.5%	Sprint Proposal	Productivity - 9.0%	FLEC
7/1998	High	Medium-High	High	Medium	Constant
7/1999	Medium-High	Medium	Medium-High	Medium-Low	Constant
7/2000	Medium	Medium-Low	Medium	Low	Constant
7/2001	Medium-Low	Low	Low	Very Low	Constant
7/2002	Low	Very Low	Very Low	Very Low	Constant
7/2003	Lower	Very Low	Very Low	Very Low	Constant
7/2004	Lowest	Very Low	Very Low	Very Low	Constant



Price Caps LECs

Average Revenue per Line

For Non-Traffic Sensitive (NTS) Elements*

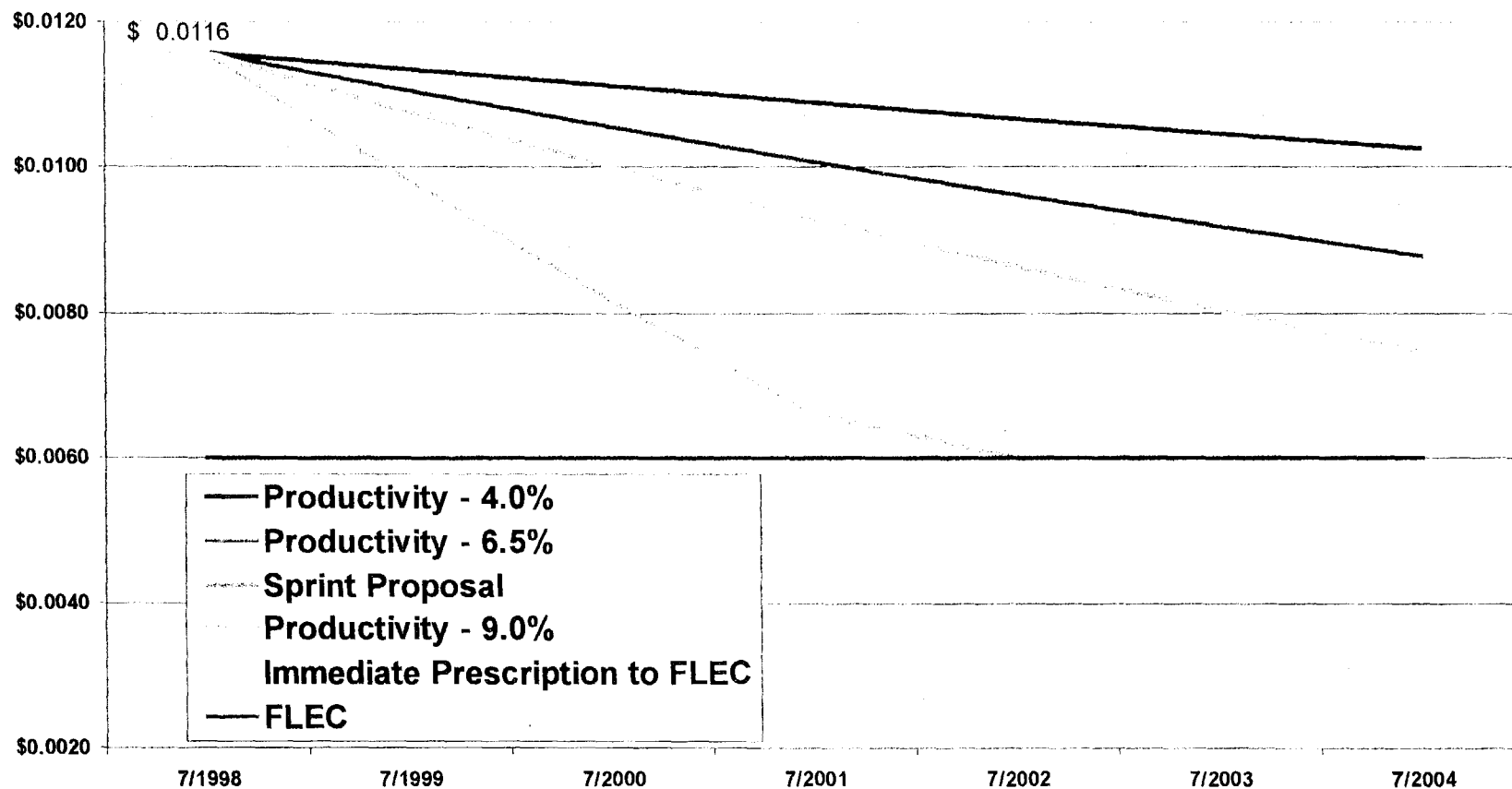


* Loop, NTS Switching, and Marketing Expense

Price Cap LECs

Revenue per Minute

For Traffic Sensitive Elements*



* Local Switching and Switched Transport